

**STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Indiana Government Center North
Room N1058(B)
Indianapolis, IN 46204**

IN THE MATTER OF THE REQUEST OF)
TRI-CREEK SCHOOL CORPORATION (LAKE COUNTY))
FOR APPROVAL OF A LEASE WITH TRI-CREEK) NO. 07-034
MIDDLE SCHOOL BUILDING CORPORATION)

A petition was filed on behalf of Tri-Creek School Corporation, Lake County, Indiana ("School Corporation"), for approval of a lease with Tri-Creek Middle School Building Corporation providing for the lease of a new middle school in the School Corporation ("Project") for a term of not more than twenty-five (25) years at a maximum annual lease rental of \$3,750,000. The first semi-annual rental installment shall commence on July 5, 2009. The lease includes an option to purchase the Project.

The Department of Local Government Finance ("Department"), pursuant to Executive Order 05-19, has reviewed the proposed lease and the Project, and has applied the guidance set forth in the Guidance for Review of School Building Project Financing and the factors set forth in I.C. 20-46-7-10. The school has complied with the appropriate provisions of I.C. 6-1.1-20 and I.C. 20-46-7. After careful consideration of all facts, the Department finds the following:

1. The School Corporation requested approval from the Department of a project in the total amount of \$45,300,000 with a maximum annual lease rental payment of \$3,750,000 for a term of twenty-five (25) years.
2. The maximum property tax rate impact from the submitted Project is \$0.15, or 15 cents, per \$100 of assessed valuation. This calculates out to a gross tax of \$78.00 on a \$100,000 house within the Tri-Creek Community School Corporation taxing district.
3. The School Corporation's current debt service tax rate is \$0.6135, or 61.35 cents, per \$100 of assessed valuation.
4. Review by the Department demonstrated that the submitted Project amount produced a cost per square foot for the project of \$31.42 above the Department baseline.

As a result of the aforementioned findings, the Department hereby grants MODIFIED APPROVAL for the execution of a lease with the Tri-Creek Middle School Building Corporation to provide for the construction of a new middle school in the School Corporation, for a term of not more than twenty-five (25) years at a maximum annual lease rental payment of \$3,750,000. The first semi-annual rental installment shall commence on July 5, 2009. In accordance with the Department's 2007 School Construction cost thresholds, the Bonds to be issued to finance the Project shall not exceed \$42,240,000 in aggregate principal amount. This

modified approval is limited to the Project described in File #07-034 as presented to the School Property Tax Control Board and the Commissioner for consideration.

If the construction bids received for the Project are lower than the estimated construction costs presented to the Department, the school corporation and building corporation shall amend the lease to lower the lease rental payments to amounts which will amortize the debt. The debt will be limited to the total of the construction bids, costs of issuance, soft construction costs, and construction contingencies. In total, the costs of issuance, soft construction costs, and construction contingencies shall not exceed the amounts presented to the Department for consideration.

To obtain a debt service rate for 2007 pay 2008, the unit must comply with the provisions of IC 6-1.1-17-3. In addition, on or before December 31, 2007, the unit must execute the above issue and file with the Department a final amortization schedule.

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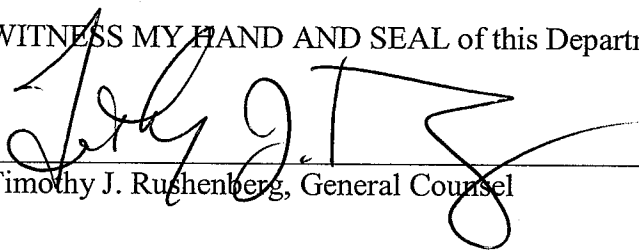

Cheryl A.W. Musgrave, Commissioner

STATE OF INDIANA

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I, Timothy J. Rushenberg, General Counsel of the Department of Local Government Finance, do hereby certify that the above is a full, true and complete copy of the Order of this Department made this date in the above-entitled matter.

WITNESS MY HAND AND SEAL of this Department on this 7th day of November, 2007.


Timothy J. Rushenberg, General Counsel

Ind. Code 5-1-18, requires local units of government to provide debt information to the DLGF not later than December 31 of the year in which the bonds are issued or the lease is executed. In addition, local units of government are also required to annually (before March 1) provide the DLGF with information regarding their outstanding debt obligations. The documents that must be completed can be found on the DLGF website: http://www.in.gov/dlgf/rates/debt_reporting.html. Please submit completed documents electronically to data@dlgf.in.gov. Questions regarding these documents may be directed to Cheryl Prochaska at (317) 244-4480.